



IMD WORLD  
COMPETITIVENESS  
CENTER

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# IMD WORLD COMPETITIVENESS YEARBOOK

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# 2016

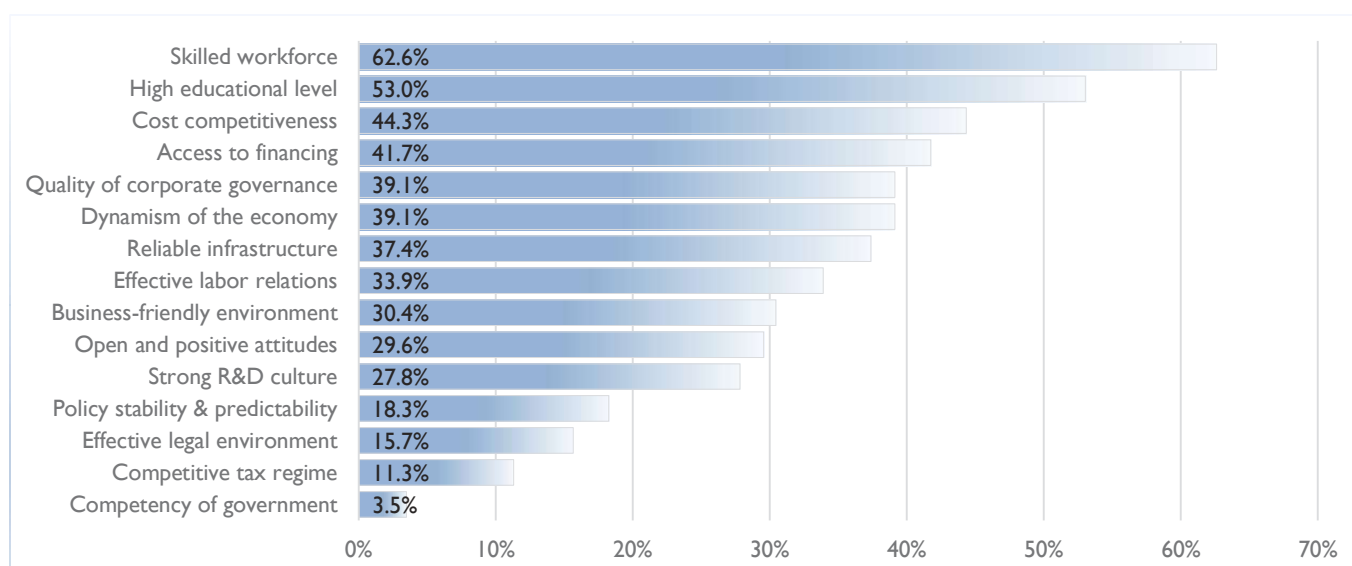
## COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY	WCY	DECLINES	WCY	WCY
	2015	2016		2015	2016
1.5.07 Gasoline prices	1.10	0.80	1.5.02 Adjusted consumer price inflation	0.68	2.13
2.1.02 Government budget surplus/deficit (%)	-2.06	-1.55	1.1.15 Real GDP growth per capita	3.47	0.50
4.5.09 Student mobility inbound	2.87	3.41	1.1.14 Real GDP growth	3.7	0.8
1.2.02 Current account balance percentage	12.34	14.54	3.2.03 Remuneration in services professions		
3.1.04 Labor productivity (PPP)	39.47	46.08	3.2.04 Remuneration of management		
1.1.21 GDP (PPP) per capita	40,537	46,783	1.3.13 Relocation threats of production	4.77	3.90
3.1.01 Overall productivity (PPP)	85,743	98,145	4.2.19 High-tech exports (%)	46.42	38.62
2.1.09 Public finances	3.93	4.50	2.5.03 Ageing of society	3.26	2.76
4.3.18 Number of patents in force	936.9	1,049.8	1.3.14 Relocation threats of R&D facilities	4.52	3.98
1.2.25 Tourism receipts	2.48	2.76	3.2.22 Foreign high-skilled people	4.04	3.62
2.3.11 Government decisions	3.36	3.72	2.4.05 Foreign investors	5.29	4.77
2.3.14 Bribery and corruption	4.89	5.41	2.5.04 Risk of political instability	6.43	5.81
4.1.25 Electricity costs for industrial clients	0.100	0.090	1.2.17 Export concentration by partner	54	59
3.2.21 Brain drain	3.38	3.69	3.3.11 Stock market capitalization (%)	160.91	145.93
4.1.04 Access to water	7.18	7.84	1.2.08 Exports of goods (\$bn)	313.70	285.42

## KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



# TAIWAN



## ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2015	2016
Domestic Economy	9	30
International Trade	14	7
International Investment	29	33
Employment	18	16
Prices	15	23



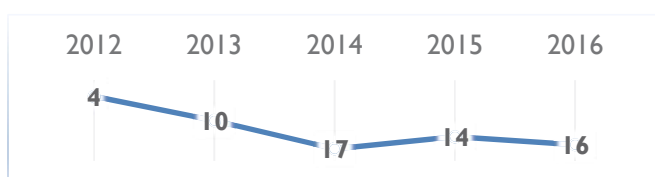
## GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2015	2016
Public Finance	13	12
Fiscal Policy	4	4
Institutional Framework	19	16
Business Legislation	25	25
Societal Framework	22	21



## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2015	2016
Productivity & Efficiency	15	15
Labor Market	25	33
Finance	17	19
Management Practices	10	13
Attitudes and Values	15	19



## INFRASTRUCTURE



Sub-Factor Rankings :	2015	2016
Basic Infrastructure	25	28
Technological Infrastructure	9	12
Scientific Infrastructure	9	10
Health and Environment	29	32
Education	21	25

## STRENGTHS

Economic Performance	Rank
1.2.02 Current account balance percentage	3
1.5.07 Gasoline prices	9
1.4.07 Long-term unemployment	9
1.4.06 Unemployment rate	9
1.1.19 Resilience of the economy	11
1.3.04 Direct investment stocks abroad (%)	13
1.2.09 Exports of goods (%)	13
1.1.21 GDP (PPP) per capita	15
1.2.08 Exports of goods (\$bn)	17
1.2.23 Trade to GDP ratio	17

Government Efficiency	Rank
2.2.09 Consumption tax rate	4
2.3.07 Foreign currency reserves per capita	5
2.2.01 Collected total tax revenues	5
2.3.08 Exchange rate stability	6
2.4.16 Start-up procedures	6
2.3.03 Interest rate spread	7
2.2.07 Effective personal income tax rate	8
2.2.08 Corporate tax rate on profit	8
2.5.06 Gini coefficient	14
2.3.02 Cost of capital	14

Business Efficiency	Rank
3.3.01 Banking sector assets	4
3.3.11 Stock market capitalization (%)	5
3.2.06 Working hours	7
3.4.07 Entrepreneurship	8
3.3.17 Credit	9
3.1.10 Small and medium-size enterprises	10
3.4.08 Social responsibility	11
3.4.03 Credibility of managers	11
3.1.01 Overall productivity (PPP)	12
3.4.06 Customer satisfaction	12

Infrastructure	Rank
4.3.07 Total R&D personnel nationwide per capita	2
4.5.07 Higher education achievement	3
4.1.10 Dependency ratio	3
4.2.19 High-tech exports (%)	4
4.3.05 Business expenditure on R&D (%)	4
4.2.02 Mobile Broadband subscribers	5
4.3.18 Number of patents in force	5
4.3.02 Total expenditure on R&D (%)	7
4.3.10 Researchers in R&D per capita	7
4.3.16 Patent applications per capita	7

## WEAKNESSES

Economic Performance	Rank
1.3.08 Direct investment stocks inward (%)	55
1.1.14 Real GDP growth	54
1.3.06 Direct investment flows inward (%)	49
1.3.14 Relocation threats of R&D facilities	48
1.2.17 Export concentration by partner	48
1.3.07 Direct investment stocks inward (\$bn)	46
1.3.13 Relocation threats of production	45
1.1.15 Real GDP growth per capita	45
1.5.03 Cost-of-living index	43
1.5.02 Adjusted consumer price inflation	43

Government Efficiency	Rank
2.4.05 Foreign investors	57
2.4.20 Redundancy costs	50
2.5.03 Ageing of society	50
2.4.07 Investment incentives	49
2.4.01 Tariff barriers	45
2.4.19 Immigration laws	43
2.4.04 Public sector contracts	40
2.3.11 Government decisions	39
2.3.10 Adaptability of government policy	36
2.1.11 Pension funding	35

Business Efficiency	Rank
3.3.19 M&A Activity	54
3.2.22 Foreign high-skilled people	51
3.2.21 Brain drain	45
3.2.23 International experience	42
3.2.18 Skilled labor	39
3.2.20 Attracting and retaining talents	36
3.2.13 Labor force (%)	32

Infrastructure	Rank
4.2.20 ICT service exports	56
4.4.18 Renewable energies (%)	55
4.5.08 Women with degrees	48
4.4.12 Energy intensity	48
4.1.20 Future energy supply	45
4.5.05 Pupil-teacher ratio (secondary education)	43
4.1.04 Access to water	43
4.5.01 Total public expenditure on education	42
4.4.01 Total health expenditure	41
4.2.03 Mobile Telephone costs	40